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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

2002 DEC 23 P 4: 13

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF QWEST
CORPORATION'S COMPLIANCE WITH
§ 271 OF THE
TELECOMMUNICATIONS ACT OF
1996.

DOCKET NO. T-00000B-97-0238

**QWEST'S RESPONSE TO AT&T'S COMMENTS ON THE STATUS OF QWEST'S
OPERATIONAL SUPPORT SYSTEMS AND REQUEST THAT STAFF SUPPLEMENT
ITS OSS REPORT**

A. Introduction

Qwest Corporation hereby provides its Response to AT&T's Comments on Qwest's billing practices. AT&T's newly identified concerns have no bearing on Qwest's 271 application. The Arizona Corporation Commission (ACC) should, therefore, reject AT&T's complaint as untimely and unpersuasive.

B. Qwest's Wholesale Billing Practices Meet 271 Requirements

AT&T's new complaint concerns the manner in which Qwest loads information into its billing systems. AT&T claims the systems for wholesale and retail are different. To make its point, AT&T cites law that does not support its position. As AT&T acknowledges, Qwest "must demonstrate that it provides competing carriers with complete and accurate reports on the service usage of competing carriers' customers in substantially the same time and manner that [the BOC] provides such information to itself, and wholesale bills in a manner that gives competing carriers

Arizona Corporation Commission
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a meaningful opportunity to compete.”¹ Qwest tracks performance in metrics BI-3A (billing accuracy) and BI-4A (billing completeness) to make this showing.

Understanding that these measures are the true test of whether Qwest’s billing systems are adequate, AT&T argues that Qwest’s commercial performance is inadequate as well. The data does not bear this out. Over the last 12 months, Qwest’s bills have always been at least 98.5% accurate and 94.7% complete. See Attachment I. While this performance can be statistically significant in some months, that is due to the large volumes involved. It is well understood that as volumes increase and performance gets closer to perfect – here 100% -- statistical analysis begins to fall apart. Such is the case here. For example, in July, CLEC bills are 99.33% accurate and retail bills 99.36% accurate, yet the .0003 difference is statistically significant. This is exactly why the FCC looks beyond the statistics to determine whether performance is competitively significant.² AT&T ignores the fundamental FCC holding that the proper concern is “competitive significance” and simply argues “statistical significance.” Certainly Qwest’s strong performance in this area provides CLECs with a meaningful opportunity to compete thereby satisfying FCC standards.

AT&T then latches onto a few words from the Southwestern Bell Kansas/Oklahoma decision, takes them out of context, and hopes the ACC will fail to analyze the issue closely. The FCC found that SBC wholesale “bills for Kansas, Oklahoma and Texas *are processed in the same service centers, using the same systems and overseen by the same personnel*. While the systems may use different tables, containing state-specific product codes and state-specific prices, there is nothing in the record that the use of these tables would change the functionality or

¹ *Joint Application by SBC Communications Inc. Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a/ Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, CC Docket No. 00-217, Memorandum Order and Opinion, FCC 01-29 (rel. Jan 22, 2001), ¶ 163.


performance of these billing systems.” The exact same is true of Qwest. The same personnel, the same centers, and the same systems are used by both Qwest’s retail and wholesale customers. The FCC recognizes that BOCs can use different tables for the creation of wholesale and retail rates, and it is these exact tables that are at issue here.

The specific question raised by Staff concerns the speed and efficiency with which these tables are populated. AT&T argues that Qwest can update retail tables in one billing cycle, while wholesale rates take up to six months to update. This argument is fatally flawed on its face. Changes to retail rates require updating a few Uniform Service Ordering Codes (USOCs). On the other hand, completion of a vast portion of a cost docket as occurred recently in Arizona requires changes to thousands of USOCs. Thus, at a baseline level, there is no comparison between the time frame it will take to implement changes to wholesale and retail rates; moreover, the law cited by AT&T simply does not bear on the issue. The concerns raised by AT&T have no bearing on Qwest’s 271 Application; nonetheless, as described in a separate pleading filed on this same date, Qwest is implementing process improvements to expedite the speed with which Qwest changes the underlying USOCs for wholesale customers.

C. Conclusion

For all of these reasons, Qwest respectfully requests that the ACC reject AT&T’s new request.

RESPECTFULLY SUBMITTED this 23rd day of December, 2002.



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² *Pennsylvania 271 Decision* at Appendix C, ¶ 8.

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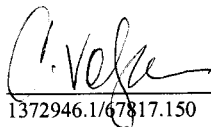
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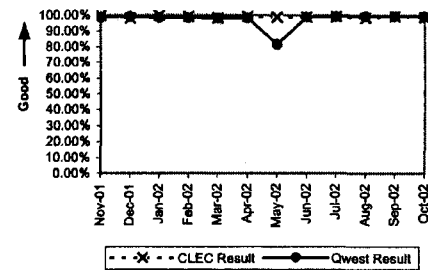
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BI-3 - Billing Accuracy - Adjustments for Errors

Billing Accuracy - Adjustments for Errors (Percent) UNEs and Resale Aggregate (BI-3A) (Parity)									
Date	CLEC Num	CLEC Deno	CLEC Resu	CLEC Std C	Qwest Num	Qwest Deno	Qwest Resu	Mod Z Scr	Parity Scr
Nov-01	2210712.6	2213465.1	99.88%	3.52%	116041039	117511122	98.75%	-149.41	-91.84
Dec-01	2954313.7	3005096.1	98.31%	12.89%	123483068	124571710	99.13%	152.35	91.62
Jan-02	2923131.3	2923242.3	100.00%	0.62%	120815628	122510585	98.62%	-198.58	-122.34
Feb-02	2980648.8	3003361.4	99.24%	8.66%	123579089	125290857	98.63%	-89.99	-55.71
Mar-02	3111614.8	3160475.1	98.45%	12.34%	122734180	125018387	98.17%	-36.66	-23.29
Apr-02	3060746.7	3080479.4	99.36%	7.98%	122057018	123957662	98.47%	-125.96	-77.58
May-02	3134710.1	3166884.7	98.98%	10.03%	99584773	121971822	81.65%	-786.9	-479.4
Jun-02	3037541.6	3069920.5	98.95%	10.22%	118689688	120040554	98.87%	-11.58	-8.04
Jul-02	3094109.9	3114883.5	99.33%	8.14%	126118247	128945521	99.36%	5.54	2.37
Aug-02	3189145.1	3236014	98.55%	11.95%	112574520	113265085	99.39%	191.09	115.18
Sep-02	3408869.8	3421607.6	99.63%	6.09%	118245958	118920566	99.43%	-47.35	-29.79
Oct-02	3211191.7	3243243.8	99.01%	9.89%	118928366	119759658	99.31%	62.96	37.28



BI-4 - Billing Completeness

Billing Completeness (Percent) UNEs and Resale Aggregate (BI-4A) (Party)									
Date	CLEC Num	CLEC Dend	CLEC Resu	CLEC Std D	Qwest Num	Qwest Dend	Qwest Resu	Mod Z Scr	Parity Scr
Nov-01									
Dec-01									
Jan-02	10636	10990	96.78%	17.66%	458276	474477	96.59%	-1.1	-1.67
Feb-02	13220	13441	98.36%	12.72%	481841	489683	98.40%	0.39	-0.76
Mar-02	12034	12296	97.87%	14.44%	427998	436170	98.13%	2.07	0.26
Apr-02	9655	9848	98.06%	13.79%	414485	419572	98.79%	6.52	2.96
May-02	11880	12049	98.60%	11.76%	446408	450812	99.07%	5.29	2.22
Jun-02	12354	12724	97.09%	16.80%	423213	426052	99.33%	30.62	17.62
Jul-02	11742	11928	98.44%	12.39%	396283	398557	99.43%	14.13	7.59
Aug-02	11750	11951	98.32%	12.86%	419859	422271	99.43%	15.89	8.66
Sep-02	11384	11625	97.93%	14.25%	405111	407938	99.31%	17.89	9.75
Oct-02	9243	9758	94.72%	22.36%	400850	403718	99.29%	53.08	31.27

